

1 H.922

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; minimum tax on corporations; property tax; current use;  
5 administration; homestead definition; income sensitivity adjustment;  
6 electrical energy tax; insurance tax; meals and rooms tax; tobacco  
7 taxes; higher education investment plans; electronic cigarettes;  
8 downtown and village center tax credit; affordable housing tax credit;  
9 health; stormwater fees; Green Mountain Care Board; hospitals;  
10 health insurance; accountable care organizations; billback formula

11 Statement of purpose of bill as introduced: This bill proposes to make  
12 numerous substantive and administrative changes to Vermont's tax laws. The  
13 bill permits the creation of merged property assessment districts to match  
14 merged school districts. The bill moves the collection and administration of  
15 the fire safety insurance tax, the direct placement insurance tax, and the  
16 surplus lines tax from the Department of Financial Regulation to the  
17 Department of Taxes. The bill makes numerous other changes, including  
18 changes to the current use lien system, the definitions of household income  
19 and homestead, tobacco taxes, higher education investment plans, the  
20 downtown and village center tax credit, the affordable housing tax credit, and  
21 the meals and rooms tax. This bill further proposes to revise the formula

1 under which the Green Mountain Care Board assesses regulated health care  
2 industries for certain costs associated with their regulation and to revise  
3 municipal stormwater fees.

4 An act relating to making numerous revenue changes

5 It is hereby enacted by the General Assembly of the State of Vermont:

6 \* \* \* Municipal Stormwater Fees \* \* \*

7 Sec. 1. 3 V.S.A. § 2822(j)(2)(B)(iv)(VI) is amended to read:

8 (VI) ~~Application~~ For application to operate under a general  
9 permit for stormwater runoff associated with municipal roads: ~~\$2,000.00~~, the  
10 following fees per authorization annually;

11 (aa) in a municipality with a population of more than 5,000  
12 persons: \$1,800.00;

13 (bb) in a municipality with a population of 2,500 to 5,000  
14 persons and 95 miles or more of maintained road: \$1,800.00;

15 (cc) in a municipality with a population of 2,500 to 5,000  
16 persons and 25 to less than 95 miles of maintained road: \$1,350.00;

17 (dd) in a municipality with a population of 2,500 to 5,000  
18 persons and less than 25 miles of maintained road: \$500.00;

19 (ee) in a municipality with a population of fewer than 2,500

1 but more than 500 persons and 25 miles or more of maintained road:

2 \$1,350.00;

3 (ff) in a municipality with a population of fewer than 2,500

4 but more than 500 persons and less than 25 miles of maintained road:

5 \$500.00;

6 (gg) in a municipality with a population of fewer than 500

7 persons: \$500.00;

8 (hh) in a municipality that is covered under a municipal

9 separate storm sewer system permit: \$0.00; and

10 (ii) in an unincorporated or disincorporated municipality:

11 \$0.00.

12 \* \* \* Green Mountain Care Board Billback Formula \* \* \*

13 Sec. 2. 18 V.S.A. § 9374(h) is amended to read:

14 (h)(1) The Board may assess and collect from each regulated entity the  
15 actual costs incurred by the Board, including staff time and contracts for  
16 professional services, in carrying out its regulatory duties for health insurance  
17 rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221,  
18 subchapter 7 of this title; and accountable care organization certification and  
19 budget review under section 9382 of this title.

20 (2)(A) Except In addition to the assessment and collection of actual  
21 costs pursuant to subdivision (1) of this subsection and except as otherwise

1 provided in ~~subdivision (2)~~ subdivisions (2)(C) and (3) of this subsection, all  
2 other expenses incurred to obtain information, analyze expenditures, review  
3 hospital budgets, and for any other contracts authorized by of the Board shall  
4 be borne as follows:

5 ~~(A)(i)~~ 40 percent by the State from State monies;

6 ~~(B)(ii)~~ ~~15~~ 30 percent by the hospitals;

7 ~~(C)(iii)~~ ~~15~~ 24 percent by nonprofit hospital and medical service  
8 corporations licensed under 8 V.S.A. chapter 123 or 125;

9 ~~(D)~~ ~~15 percent by,~~ health insurance companies licensed under  
10 8 V.S.A. chapter 101; ~~and~~

11 ~~(E)~~ ~~15 percent by,~~ and health maintenance organizations licensed  
12 under 8 V.S.A. chapter 139; and

13 (iv) six percent by accountable care organizations certified under  
14 section 9382 of this title.

15 (B) Expenses under subdivision (A)(iii) of this subdivision (2) shall  
16 be allocated to persons licensed under Title 8 based on premiums paid for  
17 health care coverage, which for the purposes of this subdivision (2) shall  
18 include major medical, comprehensive medical, hospital or surgical coverage,  
19 and comprehensive health care services plans, but shall not include long-term  
20 care, limited benefits, disability, credit or stop loss, or excess loss insurance  
21 coverage.

1           (C) Expenses incurred by the Board for regulatory duties associated  
2           with certificates of need shall be assessed pursuant to the provisions of section  
3           9441 of this title and not in accordance with the formula set forth in  
4           subdivision (A) of this subdivision (2).

5           ~~(2)~~(3) The Board may determine the scope of the incurred expenses to  
6           be allocated pursuant to the formula set forth in subdivision ~~(1)~~(2) of this  
7           subsection if, in the Board's discretion, the expenses to be allocated are in the  
8           best interests of the regulated entities and of the State.

9           ~~(3) Expenses under subdivision (1) of this subsection shall be billed to~~  
10          ~~persons licensed under Title 8 based on premiums paid for health care~~  
11          ~~coverage, which for the purposes of this section shall include major medical,~~  
12          ~~comprehensive medical, hospital or surgical coverage, and comprehensive~~  
13          ~~health care services plans, but shall not include long-term care or limited~~  
14          ~~benefits, disability, credit or stop loss, or excess loss insurance coverage.~~

15          (4) If the amount of the proportional assessment to any entity calculated  
16          in accordance with the formula set forth in subdivision (2)(A) of this  
17          subsection would be less than \$150.00, the Board shall assess the entity a  
18          minimum fee of \$150.00. The Board shall apply the amounts collected based  
19          on the difference between each applicable entity's proportional assessment  
20          amount and \$150.00 to reduce the total amount assessed to the regulated  
21          entities pursuant to subdivisions (2)(A)(ii)-(iv) of this subsection.



1 Sec. 5. 16 V.S.A. § 2879e is amended to read:

2 § 2879e. CONSTRUCTION AND APPLICATION

3 This subchapter shall be construed liberally in order to effectuate its

4 legislative intent. The purposes of this subchapter and all provisions of this

5 subchapter with respect to powers granted shall be broadly interpreted to

6 effectuate such intent and purposes and not as to any limitation of powers.

7 This subchapter shall be interpreted and enforced in a manner that shall

8 achieve this public purpose in compliance with the applicable provisions of the

9 Internal Revenue Code, except to the extent the Code is inconsistent with the

10 provisions of 32 V.S.A. § 5825a.

11 Sec. 6. 32 V.S.A. § 5825a(b) is amended to read:

12 (b) A taxpayer who has received a credit under subsection (a) of this

13 section shall repay to the Commissioner 10 percent of any distribution from a

14 higher education investment plan account, which distribution is not ~~excluded~~

15 ~~from gross income in the taxable year under 26 U.S.C. § 529, as amended,~~

16 used exclusively for costs of attendance at an approved postsecondary

17 education institution as defined in 16 V.S.A. § 2822(6), up to a maximum of

18 the total credits received by the taxpayer under subsection (a) of this section

19 minus any amount of repayment of such credits in prior tax years.

20 Repayments under this subsection shall be subject to assessment, notice,

21 penalty and interest, collection, and other administration in the same manner as

22 an income tax under this chapter.

1       Sec. 7. REPORT ON NONPOSTSECONDARY USE OF HIGHER  
2                   EDUCATION INVESTMENT PLAN FUNDS

3           The Vermont Student Assistance Corporation shall report the amount of  
4           assets withdrawn by participants from the Vermont Higher Education  
5           Investment Plan in the preceding calendar year for education costs other than  
6           postsecondary education costs, as well as the total amount of assets withdrawn  
7           by participants in the preceding calendar year, to the House Committee on  
8           Ways and Means and the Senate Committee on Finance annually on or before  
9           January 15.

10                           \* \* \* Tax Credit for Affordable Housing;  
11                           First Time Homebuyer Program \* \* \*

12       Sec. 8. 32 V.S.A. § 5930u is amended to read:

13       § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

14       (a) As used in this section:

15           (1) “Affordable housing project” or “project” means:

16                   (A) a rental housing project identified in 26 U.S.C. § 42(g); or

17                   (B) owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or

18       that qualifies under Vermont Housing Finance Agency criteria governing

19       owner-occupied housing.

20           (2) “Affordable housing tax credits” means the tax credit provided by

21       this subchapter.

1           (3) “Allocating agency” or “Agency” means the Vermont Housing  
2 Finance Agency.

3           (4) “Committee” means the Joint Committee on Tax Credits consisting  
4 of five members: a representative from the Department of Housing and  
5 Community ~~Affairs~~ Development, the Vermont Housing and Conservation  
6 Board, the Vermont Housing Finance Agency, the Vermont State Housing  
7 Authority, and the Office of the Governor.

8           (5) “Credit certificate” means a certificate issued by the allocating  
9 agency to a taxpayer that specifies the amount of affordable housing tax credits  
10 that can be applied against the taxpayer’s individual or corporate income tax,  
11 or franchise, captive insurance premium, or insurance premium tax liability as  
12 provided in this subchapter.

13           (6) “Eligible applicant” means any municipality, ~~private sector~~  
14 ~~developer~~, State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing  
15 Finance Agency, ~~or a for-profit organization,~~ a nonprofit organization  
16 qualifying under 26 U.S.C. § 501(c)(3), ~~or a cooperative housing organization,~~  
17 ~~the purpose of which is to create and retain affordable housing for Vermonters~~  
18 ~~with lower income and which has in its bylaws a requirement that the housing~~  
19 ~~the organization creates be maintained as affordable housing for Vermonters~~  
20 ~~with lower income on a perpetual basis~~ that meets the application requirements  
21 of the allocation plan.

1 (7) “Eligible cash contribution” means an amount of cash:

2 (A) contributed to the owner, developer, or sponsor of an affordable  
3 housing project and determined by the allocating agency as eligible for  
4 affordable housing tax credits; or

5 (B) paid to the Agency in connection with the purchase of affordable  
6 housing tax credits pursuant to subdivision (b)(2) or (3) of this section.

7 (8) “Section 42 credits” means tax credit provided by 26 U.S.C.  
8 §§ 38 and 42.

9 (9) “Allocation plan” means the plan recommended by the Committee  
10 and approved by the Vermont Housing Finance Agency, which sets forth the  
11 eligibility requirements and process for selection of eligible multifamily rental  
12 housing projects to receive affordable housing tax credits, and eligible owner-  
13 occupied housing projects to receive loans or grants, under this section. The  
14 allocation plan shall include:

15 (A) requirements for creation and retention of affordable housing for  
16 persons with low income; and

17 (B) requirements to ensure that eligible multifamily rental housing is  
18 maintained as affordable by subsidy covenant, as defined in 27 V.S.A. § 610  
19 on a perpetual basis, and that eligible owner-occupied housing or program  
20 funds for owner-occupied housing remain as an affordable housing source for  
21 future owners or buyers, and meets all other requirements of the Vermont

1 Housing Finance Agency related to affordable housing.

2 (10) "Taxpayer" means a taxpayer who makes an eligible cash  
3 contribution or the assignee or transferee of, or successor to, the taxpayer as  
4 determined by the Department of Taxes.

5 (b) Eligible tax credit allocations.

6 (1) Affordable housing credit allocation for multifamily rental housing.

7 (A) An eligible applicant may apply to the allocating agency for an  
8 allocation of affordable housing tax credits under this section related to an  
9 affordable multifamily rental housing project authorized by the allocating  
10 agency under the allocation plan. In the case of a specific affordable  
11 multifamily rental housing project, the eligible applicant shall also be the  
12 owner or a person having the right to acquire ownership of the building and  
13 shall apply prior to placement of the affordable housing project in service. ~~In~~  
14 ~~the case of owner-occupied housing units, the applicant shall ensure that the~~  
15 ~~allocated housing or program funds remain as an affordable housing resource~~  
16 ~~for future owners.~~ The allocating agency shall issue a letter of approval if it  
17 finds that the applicant meets the priorities, criteria, and other provisions of  
18 subdivision (B) of this subdivision (b)(1). The burden of proof shall be on the  
19 applicant.

20 (B) Upon receipt of a completed application, the allocating agency  
21 shall award an allocation of affordable housing tax credits with respect to a

1 project to an applicant, provided the applicant demonstrates to the satisfaction  
2 of the allocating agency all of the following:

3 (i) The owner of the project has received from the allocating  
4 agency a binding commitment for, a reservation or allocation of, or an out-of-  
5 cap determination letter for, Section 42 credits, or meets the requirements of  
6 the allocation plan for development or financing of units to be owner-  
7 occupied.

8 (ii) The project has received community support.

9 (2) Affordable housing credit allocation for loans or grants for owner-  
10 occupied housing.

11 (A) The Vermont Housing Finance Agency shall have the authority  
12 to allocate affordable housing tax credits to provide funds to make loans or  
13 grants to eligible applicants for affordable owner-occupied housing. An  
14 eligible applicant may apply to the allocating agency for a loan or grant under  
15 this section related to an affordable owner-occupied housing project authorized  
16 by the allocating agency under the allocation plan. In the case of a specific  
17 affordable owner-occupied housing project, the eligible applicant shall also be  
18 the owner or a person having the right to acquire ownership of the unit and  
19 shall apply prior to the sale of the unit to the homeowner.

20 (B) The Agency shall require that the loan or grant recipient use such  
21 funds to maintain the unit as an affordable owner-occupied unit or as an

1 affordable housing source for future owners or buyers.

2 (C) The Agency shall use the proceeds of loans or grants made under  
3 subdivision (A) of this subdivision (b)(2) for future loans or grants to eligible  
4 applicants for affordable owner-occupied housing projects.

5 (D) The Agency may assign its rights under any loan or grant made  
6 under subdivision (A) of this subdivision (b)(2) to the Vermont Housing and  
7 Conservation Board or any nonprofit organization qualifying under 26 U.S.C.  
8 § 501(c)(3) as long as such assignee acknowledges and agrees to comply with  
9 the provisions of this subdivision (b)(2).

10 (3) Down Payment Assistance Program.

11 (A) The Vermont Housing Finance Agency shall have the authority  
12 to allocate affordable housing tax credits to finance down payment assistance  
13 loans that meet the following requirements:

14 (i) the loan is made in connection with a mortgage through an  
15 Agency program;

16 (ii) the borrower is a first-time homebuyer of an owner-occupied  
17 primary residence; and

18 (iii) the borrower uses the loan for the borrower's down payment  
19 or closing costs, or both.

20 (B) The Agency shall require the borrower to repay the loan upon the  
21 transfer or refinance of the residence.

1           (C) The Agency shall use the proceeds of loans made under the  
2 Program for future down payment assistance.

3           (c) Amount of credit. A taxpayer ~~who makes an eligible cash contribution~~  
4 shall be entitled to claim against the taxpayer's individual income, corporate,  
5 franchise, captive insurance premium, or insurance premium tax liability a  
6 credit in an amount specified on the taxpayer's credit certificate. The first-  
7 year allocation of a credit amount to a taxpayer shall also be deemed an  
8 allocation of the same amount in each of the following four years.

9           (d) Availability of credit. The amount of affordable housing tax credit  
10 ~~allocated with respect to a project~~ provided on the taxpayer's credit certificate  
11 shall be available to the taxpayer every year for five consecutive tax years,  
12 beginning with the tax year in which the eligible cash contribution is made.  
13 Total tax credits available to the taxpayer shall be the amount of the first-year  
14 allocation plus the succeeding four years' deemed allocations.

15           (e) Claim for credit. A taxpayer claiming affordable housing tax credits  
16 shall submit with each return on which such credit is claimed ~~a copy of the~~  
17 ~~allocating agency's credit allocation to the affordable housing project and the~~  
18 ~~taxpayer's credit certificate, and for credits issued under subdivision (b)(1) of~~  
19 this section, a copy of the allocating agency's credit allocation to the  
20 affordable housing project. Any unused affordable housing tax credit may be  
21 carried forward to reduce the taxpayer's tax liability for ~~no~~ not more than

1 14 succeeding tax years, following the first year the affordable housing tax  
2 credit is allowed.

3 (f) [Repealed.]

4 (g)(1) In any fiscal year, the allocating agency may award up to:

5 (A) \$400,000.00 in total first-year credit allocations to all applicants  
6 for rental housing projects, for an aggregate limit of \$2,000,000.00 over any  
7 given five-year period that credits are available under this subdivision (A);

8 (B) \$300,000.00 in total first-year credit allocations for loans or  
9 grants for owner-occupied unit financing or down payment loans as provided  
10 in subdivision (b)(2) of this section, consistent with the allocation plan,  
11 including for new construction and manufactured housing, for an aggregate  
12 limit of \$1,500,000.00 over any given five-year period that credits are  
13 available under this subdivision (B).

14 (2) In any fiscal year, total first-year credit allocations under subdivision  
15 (1) of this subsection plus succeeding-year deemed allocations shall not exceed  
16 \$3,500,000.00.

17 (h)(1)(A) In fiscal year 2016 through fiscal year ~~2022~~ 2018, the allocating  
18 agency may award up to \$125,000.00 in total first-year credit allocations for  
19 loans through the Down Payment Assistance Program created in subdivision  
20 ~~(b)(2)~~(3) of this section.

21 (B) In fiscal year 2019 through fiscal year 2022, the allocating

1 agency may award up to \$250,000.00 in total first-year credit allocations for  
2 loans through the Down Payment Assistance Program created in subdivision  
3 (b)(3) of this section.

4 (C) In fiscal year 2023 through fiscal year 2025, the allocating  
5 agency may award up to \$125,000.00 in total first-year credit allocations for  
6 loans through the Down Payment Assistance Program created in subdivision  
7 (b)(3) of this section.

8 (2)(A) In any fiscal year 2016 through fiscal year 2018, total first-year  
9 credit allocations under subdivision (1) of this subsection (h) plus succeeding-  
10 year deemed allocations shall not exceed \$625,000.00.

11 (B) In fiscal year 2019 and in each fiscal year thereafter, total first-  
12 year credit allocations under subdivision (1) of this subsection (h) plus  
13 succeeding-year deemed allocations shall not exceed \$1,125,000.00.

14 \* \* \* Downtown and Village Center Tax Credit \* \* \*

15 Sec. 9. 32 V.S.A. § 5930ee is amended to read:

16 § 5930ee. LIMITATIONS

17 Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
18 credits to all qualified applicants under this subchapter, provided that:

19 (1) the total amount of tax credits awarded annually, together with sales  
20 tax reallocated under section 9819 of this title, does not exceed ~~\$2,400,000.00~~  
21 \$2,650,000.00;



1 roll-your-own tobacco, snuff, or new smokeless tobacco as defined in this  
2 section.

3 Sec. 10a. 32 V.S.A. § 7811 is amended to read:

4 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

5 There is hereby imposed and shall be paid a tax on all other tobacco  
6 products, snuff, and new smokeless tobacco possessed in the State of Vermont  
7 by any person for sale on and after July 1, 1959 which were imported into the  
8 State or manufactured in the State after that date, except that no tax shall be  
9 imposed on tobacco products sold under such circumstances that this State is  
10 without power to impose such tax, or sold to the United States, or sold to or by  
11 a voluntary unincorporated organization of the U.S. Armed Forces operating a  
12 place for the sale of goods pursuant to regulations promulgated by the  
13 appropriate executive agency of the United States. The tax is intended to be  
14 imposed only once upon the wholesale sale of any other tobacco product and  
15 shall be at the rate of 92 percent of the wholesale price for all tobacco products  
16 except for any liquids, whether nicotine based or not, and single-use devices  
17 used with a tobacco substitute, as defined in 7 V.S.A. § 1001(8), which shall  
18 be taxed at a rate of 46 percent of the wholesale price, snuff, which shall be  
19 taxed at \$2.57 per ounce, or fractional part thereof, new smokeless tobacco,  
20 which shall be taxed at the greater of \$2.57 per ounce or, if packaged for sale  
21 to a consumer in a package that contains less than 1.2 ounces of the new

1 smokeless tobacco, at the rate of \$3.08 per package, and cigars with a  
2 wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00  
3 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than  
4 \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is  
5 \$10.00 or more. Provided, however, that upon payment of the tax within 10  
6 days, the distributor or dealer may deduct from the tax two percent of the tax  
7 due. It shall be presumed that all other tobacco products, snuff, and new  
8 smokeless tobacco within the State are subject to tax until the contrary is  
9 established and the burden of proof that any other tobacco products, snuff, and  
10 new smokeless tobacco are not taxable hereunder shall be upon the person in  
11 possession thereof. Licensed wholesalers of other tobacco products, snuff, and  
12 new smokeless tobacco shall state on the invoice whether the price includes the  
13 Vermont tobacco products tax.

14 \* \* \* Taxable Meal Exclusions \* \* \*

15 Sec. 11. 32 V.S.A. § 9202(10)(D) is amended to read:

16 (D) “Taxable meal” shall not include:

17 \* \* \*

18 (ii) Food or beverage, including that described in subdivision

19 (10)(C) of this section:

20 (I) served or furnished on the premises of a nonprofit

21 corporation or association organized and operated exclusively for religious or

1 charitable purposes, in furtherance of any of the purposes for which it was  
2 organized; with the net proceeds of the food or beverage to be used exclusively  
3 for the purposes of the corporation or association; provided, however, if the  
4 organization or association is a fire department, as defined in 24 V.S.A.  
5 § 1951, or provides emergency medical services or first responder services, as  
6 defined under 24 V.S.A. § 2651, it is not necessary that the meal be served on  
7 the premises of the organization to qualify as an exclusion from “taxable meal”  
8 under this subdivision;

9 \* \* \*

10 (iii) Food or beverage purchased for resale, provided that at the  
11 time of sale the purchaser provides the seller an exemption certificate in a form  
12 approved by the Commissioner. However, when the food or beverage  
13 purchased for resale is subsequently resold, the subsequent purchase does not  
14 come within this exemption unless the subsequent purchase is also for resale  
15 and an exemption certificate is provided.

16 \* \* \* Miscellaneous Tax Changes \* \* \*

17 \* \* \* Solar Energy Investment Income Tax Credit \* \* \*

18 Sec. 12. 32 V.S.A. § 5822 is amended to read:

19 § 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

20 \* \* \*

21 (c) The amount of tax determined under subsection (a) of this section

1 shall be:

2 (1) increased by 24 percent of the taxpayer's federal tax liability for the  
3 taxable year for the following:

4 (A) additional taxes on qualified retirement plans, including  
5 individual retirement accounts and medical savings accounts and other tax-  
6 favored accounts;

7 (B) recapture of the federal investment tax credit ~~and increased by~~  
8 ~~76 percent of the Vermont-property portion of the business solar energy~~  
9 ~~investment tax credit component of the federal investment tax credit recapture~~  
10 ~~for the taxable year attributable to the Vermont-property portion of the~~  
11 investment;

12 (C) tax on qualified lump-sum distributions of pension income not  
13 included in federal taxable income; and

14 (2) decreased by 24 percent of the reduction in the taxpayer's federal tax  
15 liability due to farm income averaging.

16 (d)(1) A taxpayer shall be entitled to a credit against the tax imposed under  
17 this section of 24 percent of each of the credits allowed against the taxpayer's  
18 federal income tax for the taxable year as follows: credit for people who are  
19 elderly or permanently totally disabled, investment tax credit attributable to the  
20 Vermont-property portion of the investment, and child care and dependent care  
21 credits.



1 digital business entity for the taxable year; or

2 (C) For C corporations with Vermont gross receipts from  
3 \$0-\$2,000,000.00, the greater of the amount determined under subdivision (1)  
4 of this section or \$300.00; or

5 (D) For C corporations with Vermont gross receipts from  
6 \$2,000,001.00-\$5,000,000.00, the greater of the amount determined under  
7 subdivision (1) of this section or \$500.00; or

8 (E) For C corporations with Vermont gross receipts greater than  
9 \$5,000,000.00, the greater of the amount determined under subdivision (1) of  
10 this section or \$750.00.

11 \* \* \* Property Tax; Land Use Change Tax Lien \* \* \*

12 Sec. 14. 32 V.S.A. § 3757(f) is amended to read:

13 (f)(1) When the application for use value appraisal of agricultural land and  
14 forestland has been approved by the State, the State shall record a notice of  
15 contingent lien against the enrolled land in the land records of the municipality  
16 ~~that shall constitute a lien to secure payment of the land use change tax to the~~  
17 ~~State upon development.~~ The landowner shall bear the recording cost. The  
18 notice of contingent lien shall constitute notice to all interested parties that a  
19 lien against the enrolled land shall be created upon the recording in the land  
20 records of a determination that development of that land as defined in section  
21 3752 of this chapter has occurred. The lien created by the recording of the

1 notice of development shall be for the amount of the land use change tax then  
2 due, as specified in the notice of development. A lien recorded in the land  
3 records of a municipality under this section on or after April 17, 1978 shall be  
4 deemed to be a contingent lien.

5 (2) The land use change tax and any obligation to repay benefits paid in  
6 error shall not constitute a personal debt of the person liable to pay the same,  
7 but shall constitute a lien ~~which~~ that shall run with the land. All of the  
8 administrative provisions of chapter 151 of this title, including those relating  
9 to collection and enforcement, shall apply to the land use change tax. The  
10 Director shall release the lien when notified that:

11 (A) the land use change tax is paid;

12 (B) the land use change tax is abated pursuant to this section;

13 (C) the land use change tax is abated pursuant to subdivision 3201(5)  
14 of this title;

15 (D) the land is exempt from the levy of the land use change tax  
16 pursuant to this section and the owner requests release of the lien; or

17 (E) the land is exempt from the levy of the land use change tax  
18 pursuant to this section and the land is developed.

19 ~~(2)(3) Nothing in this subsection shall be construed to allow the~~  
20 ~~enrollment of agricultural land or managed forestland without a lien to secure~~  
21 ~~payment of the land use change tax. Any fees related to the release of a lien~~

1 under this subsection shall be the responsibility of the owner of the land  
2 subject to the lien.

3 \* \* \* Fee Waiver for Property Tax Appeals \* \* \*

4 Sec. 15. 32 V.S.A. § 4461(a) is amended to read:

5 (a) A taxpayer or the ~~Selectboard~~ selectboard members of a town aggrieved  
6 by a decision of the board of civil authority under subchapter 1 of this chapter  
7 may appeal the decision of the board to either the Director or the Superior  
8 Court of the county in which the property is located. The appeal to the  
9 Superior Court shall be heard without a jury. The appeal to either the Director  
10 or the Superior Court shall be commenced by filing a notice of appeal pursuant  
11 to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days ~~of~~ after  
12 entry of the decision of the board of civil authority. The date of mailing of  
13 notice of the board's decision by the town clerk to the taxpayer shall be  
14 deemed the date of entry of the board's decision. The town clerk shall  
15 transmit a copy of the notice to the Director or to the Superior Court as  
16 indicated in the notice and shall record or attach a copy of the notice in the  
17 grand list book. The entry fee for an appeal to the Director is \$70.00;  
18 provided, however, that the Director may waive, reduce, or refund the entry  
19 fee in cases of hardship or to join appeals regarding the same parcel.

20 \* \* \* Land Gains Tax Affidavit \* \* \*

21 Sec. 16. 32 V.S.A. § 10007(c) is amended to read:

1 (c) Notwithstanding either subsection (a) or (b) of this section, the seller or  
2 transferor may, in advance of the sale or exchange, pay ~~the~~ all tax imposed by  
3 this chapter ~~or obtain a written ruling from the Commissioner of Taxes that no~~  
4 ~~tax is due under this chapter. In either case, the Commissioner shall certify to~~  
5 ~~the seller or transferor~~ and provide an affidavit that such payment has been  
6 made or that no tax is due. Upon receipt by the buyer or transferee of such  
7 ~~certification~~ affidavit from the seller or transferor, the buyer or transferee shall  
8 not be required to withhold under subsection (a) of this section.

9 \* \* \* Property Tax Definitions; Homestead and Household Income \* \* \*

10 Sec. 17. 32 V.S.A. § 5401(7) is amended to read:

11 (7) “Homestead”:

12 (A) “Homestead” means the principal dwelling and parcel of land  
13 surrounding the dwelling, owned and occupied by a resident individual as the  
14 individual’s domicile or owned and fully leased on April 1, provided the  
15 property is not leased for more than 182 days out of the calendar year, or for  
16 purposes of the renter property tax adjustment under subsection 6066(b) of this  
17 title, is rented and occupied by a resident individual as the individual’s  
18 domicile.

19 \* \* \*

20 (E)(i) A homestead also includes a dwelling on the homestead parcel  
21 owned by a farmer as defined under section 3752 of this title, and occupied as

1 the permanent residence by a parent, sibling, child, or grandchild of the  
2 farmer, or by a shareholder, partner, or member of the farmer-owner, provided  
3 that the shareholder, partner, or member owns more than 50 percent of the  
4 farmer-owner, including attribution of stock ownership of a parent, sibling,  
5 child, or grandchild.

6 (ii) A homestead further includes the principal dwelling of a  
7 widow or widower, provided that the dwelling is owned by the estate of the  
8 deceased spouse and it is reasonably likely that the dwelling will pass to the  
9 widow or widower by law or valid will when the estate is settled.

10 \* \* \*

11 Sec. 18. 32 V.S.A. § 6061(4) is amended to read:

12 (4)(A) “Household income” means modified adjusted gross income, but  
13 not less than zero, received in a calendar year by:

14 ~~(A)(i)~~ all persons of a household while members of that  
15 household; and

16 ~~(B)(ii)~~ the spouse of the claimant who is not a member of that  
17 household and who is not legally separated from the claimant in the taxable  
18 year as defined in subdivision (9) of this section, unless the spouse is at least  
19 62 years of age and has moved to a nursing home or other care facility with no  
20 reasonable prospect of returning to the homestead.

21 (B) “Household income” does not mean:



1 property tax bills shall show the tax due and the calculation of the rate  
2 determined under subsection (a) of this section, divided by the municipality's  
3 most recent common level of appraisal, multiplied by the current grand list  
4 value of the property to be taxed. Statewide education property tax bills shall  
5 also include language provided by the Commissioner pursuant to subsection  
6 5405(g) of this title.

7 \* \* \*

8 Sec. 20. 32 V.S.A. § 5403 is added to read:

9 § 5403. ASSESSMENT DISTRICTS

10 (a) A municipality may vote at any regular or special meeting to merge  
11 with one or more other municipalities in the same unified union school district  
12 to create or join an assessment district for the purpose of standardized property  
13 valuation.

14 (b) All municipalities merged into an assessment district shall agree to  
15 implement standardized assessment procedures approved by the  
16 Commissioner. The Commissioner shall provide written guidance to  
17 municipalities relating to how they may receive approval under this  
18 subsection.

19 (c) A vote to merge with an assessment district shall be binding on a  
20 municipality for five years. After five years, a municipality may vote at any  
21 regular or special meeting to leave the assessment district, unless the

1 assessment district has consolidated all administrative functions.

2 (d) All municipalities within an assessment district shall be treated as a  
3 single municipality for purposes of the equalization process established by  
4 section 5405 of this chapter.

5 (e) Municipalities within an assessment district shall maintain independent  
6 grand lists for municipal taxation, as well as independent processes for  
7 grievances, property valuation appeals, abatements, grand list filing, use value  
8 appraisal parcel management, reappraisal, and financial interaction with the  
9 Agency of Education, unless the Commissioner, in writing, authorizes the  
10 municipalities of an assessment district to consolidate all property valuation  
11 administrative functions.

12 Sec. 21. 32 V.S.A. § 5405 is amended to read:

13 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY  
14 TAX GRAND LIST AND COEFFICIENT OF DISPERSION

15 \* \* \*

16 (g) The Commissioner shall provide to municipalities for the front of  
17 property tax bills the district homestead property tax rate before equalization,  
18 the nonresidential tax rate before equalization, and the calculation process that  
19 creates the equalized homestead and nonresidential tax rates. The  
20 Commissioner shall further provide to municipalities for the back of property  
21 tax bills an explanation of the common level of appraisal, including its origin

1 and purpose.

2 Sec. 22. 32 V.S.A. § 6066a is amended to read:

3 § 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

4 (a) Annually, the Commissioner shall determine the property tax  
5 adjustment amount under section 6066 of this title, related to a homestead  
6 owned by the claimant. The Commissioner shall notify the municipality in  
7 which the housesite is located of the amount of the property tax adjustment for  
8 the claimant for homestead property tax liabilities, ~~on July 1 for timely filed~~  
9 ~~claims and on November 1 for late claims filed by October 15~~ on a monthly  
10 basis. The tax adjustment of a claimant who was assessed property tax by a  
11 town ~~which~~ that revised the dates of its fiscal year, however, is the excess of  
12 the property tax ~~which~~ that was assessed in the last 12 months of the revised  
13 fiscal year, over the adjusted property tax of the claimant for the revised fiscal  
14 year as determined under section 6066 of this title, related to a homestead  
15 owned by the claimant.

16 \* \* \*

17 (f) Property tax bills.

18 (1) For taxpayers and amounts stated in the notice to towns on or  
19 before July 1, municipalities shall create and send to taxpayers a homestead  
20 property tax bill, instead of the bill required under subdivision 5402(b)(1) of  
21 this title, providing the total amount allocated to payment of homestead

1 education property tax liabilities and notice of the balance due.  
2 Municipalities shall apply the amount allocated under this chapter to current-  
3 year property taxes in equal amounts to each of the taxpayers' property tax  
4 installments that include education taxes. Notwithstanding section 4772 of  
5 this title, if a town issues a corrected bill as a result of the ~~November 1~~ notice  
6 sent by the Commissioner under subsection (a) of this section, issuance of  
7 ~~such~~ the corrected new bill does not extend the time for payment of the  
8 original bill, nor relieve the taxpayer of any interest or penalties associated  
9 with the original bill. If the corrected bill is less than the original bill, and  
10 there are also no unpaid ~~current year~~ current-year taxes, interest, or penalties  
11 and no ~~past year~~ past-year delinquent taxes or penalties and interest charges,  
12 any overpayment shall be reflected on the corrected tax bill and refunded to  
13 the taxpayer.

14 \* \* \*

15 (5) A statewide education property tax bill created under this section  
16 shall include language provided by the Commissioner pursuant to subsection  
17 5405(g) of this title.

18 (g) ~~Annually, on August 1 and on November 1, the~~ The Commissioner of  
19 Taxes shall pay monthly to each municipality the amount of property tax  
20 adjustment of which the municipality was last notified ~~on July 1 for the~~  
21 ~~August 1 transfer, or November 1 for the November 1 transfer,~~ related to

1 municipal property tax on homesteads within that municipality, as determined  
2 by the Commissioner of Taxes.

3 \* \* \* Insurance Taxes \* \* \*

4 Sec. 23. 32 V.S.A. § 8557 is amended to read:

5 § 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

6 (a)(1) Sums for the expenses of the operation of training facilities and  
7 curriculum of the Vermont Fire Service Training Council not to exceed  
8 \$1,200,000.00 per year shall be paid to the Fire Safety Special Fund created by  
9 20 V.S.A. § 3157 by insurance companies, ~~including surplus lines companies,~~  
10 writing fire, homeowners multiple peril, allied lines, farm owners multiple  
11 peril, commercial multiple peril (fire and allied lines), private passenger and  
12 commercial auto, and inland marine policies on property and persons situated  
13 within the State of Vermont within 30 days after notice from the  
14 Commissioner of Financial Regulation of such estimated expenses. Captive  
15 companies shall be excluded from the effect of this section.

16 (2) The Commissioner shall annually, on or before July 1, apportion  
17 such charges among all such companies and shall assess them for the ~~same~~  
18 charges on a fair and reasonable basis as a percentage of their gross direct  
19 written premiums on such insurance written during the second prior calendar  
20 year on property situated in the State. The Department of Taxes shall collect  
21 all assessments under this section.

1           (3) An amount not less than \$100,000.00 shall be specifically allocated  
2 to the provision of what are now or formerly referred to as Level I, units I, II,  
3 and III (basic) courses for ~~entry-level~~ entry-level firefighters.

4           (4) An amount not less than \$150,000.00 shall be specifically allocated  
5 to the Emergency Medical Services Special Fund established under 18 V.S.A.  
6 § 908 for the provision of training programs for emergency medical  
7 technicians, advanced emergency medical technicians, and paramedics.

8           (5) The Department of Health shall present a plan to the Joint Fiscal  
9 Committee, which shall review the plan prior to the release of any funds.

10          (b) All administrative provisions of chapter 151 of this title, including  
11 those relating to the collection and enforcement of the income tax by the  
12 Commissioner, shall apply to this section.

13          Sec. 24. 8 V.S.A. § 5034 is amended to read:

14          § 5034. QUARTERLY REPORTS; SUMMARY OF EXPORTED

15                         BUSINESS

16          On or before the end of each month next following each calendar quarter,  
17 each surplus lines broker shall file with the Commissioner of Taxes, on forms  
18 prescribed by him or her, a verified report of all surplus lines insurance  
19 transacted during the preceding calendar quarter.

20          Sec. 25. 8 V.S.A. § 5035 is amended to read:

21          § 5035. SURPLUS LINES TAX

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\* \* \*

(b) At the time of filing his or her quarterly report with the Commissioner of Taxes, each surplus lines broker shall file a duplicate report and remit the premium tax due thereon to the Commissioner of Taxes.

(c) ~~If the tax collectible by a surplus lines broker under this section is not paid within the time prescribed, it shall be recoverable in a suit brought by the Commissioner against the surplus lines broker and the surety on the bond filed under section 4800 of this title~~ The Commissioner of Taxes shall collect the tax imposed by this section. All administrative provisions of 32 V.S.A. chapter 151, including those relating to the collection and enforcement of the income tax by the Commissioner of Taxes, shall apply to this section.

Sec. 26. 8 V.S.A. § 5036 is amended to read:

§ 5036. DIRECT PLACEMENT OF INSURANCE

(a) Every insured and every self-insurer in this State for whom this is their home state who procures or causes to be procured or continues or renews insurance from any ~~non-admitted~~ nonadmitted insurer, covering a subject located or to be performed within this State, other than insurance procured through a surplus lines broker pursuant to this chapter, shall, before March 1 of the year after the year in which the insurance was procured, continued, or renewed, file a written report with the Commissioner of Taxes on forms prescribed and furnished by the Commissioner of Taxes. The report shall

1 show:

- 2 (1) the name and address of the insured or insureds;
- 3 (2) the name and address of the insurer or insurers;
- 4 (3) the subject of the insurance;
- 5 (4) a general description of the coverage;
- 6 (5) the amount of premium currently charged for it; and
- 7 (6) such additional pertinent information as may be reasonably
- 8 requested by the Commissioner of Taxes.

9 \* \* \*

10 (d) A tax at the rate of three percent of the gross amount of premium, less

11 any return premium, in respect of risks located in this State, shall be levied

12 upon an insured who procures insurance subject to subsection (a) of this

13 section. Before March 1 of the year after the year in which the insurance was

14 procured, continued, or renewed, the insured shall remit to the Commissioner

15 of Taxes the amount of the tax. ~~The Commissioner before June 1 of each year~~

16 ~~shall certify and transmit to the Commissioner of Taxes the sums so collected.~~

17 (e) ~~The tax shall be collectible from the insured by civil action brought by~~

18 ~~the Commissioner~~ All administrative provisions of 32 V.S.A. chapter 151,

19 including those relating to the collection and enforcement of the income tax by

20 the Commissioner of Taxes, shall apply to this section.

21 \* \* \* Short-Term Rental Platform Reporting \* \* \*

1 Sec. 27. 32 V.S.A. § 9248 is amended to read:

2 § 9248. INFORMATIONAL REPORTING

3 The Department of Taxes shall collect information on operators from  
4 persons providing an Internet platform for the short-term rental of property for  
5 occupancy in this State if the persons providing a platform have not entered  
6 into a written agreement with the Department to collect and remit the tax  
7 imposed under this subchapter on behalf of operators using the platform. The  
8 information collected shall include any information the Commissioner shall  
9 require, and the name, address, and terms of the rental transactions of persons  
10 acting as operators through the Internet platform. The failure to provide  
11 information as required under this section shall subject the person operating  
12 the Internet platform to a fine of \$5.00 for each instance of failure. The  
13 Commissioner is authorized to adopt rules and procedures to implement this  
14 section.

15 \* \* \* Appeal to Superior Court; Security \* \* \*

16 Sec. 28. 32 V.S.A. § 9275 is amended to read:

17 § 9275. APPEALS

18 Any person aggrieved by the decision of the Commissioner upon petition  
19 provided for in section 9274 of this title may, within 30 days after notice  
20 thereof from the Commissioner, appeal ~~therefrom~~ to the Superior Court of any  
21 county in which ~~such~~ the person has a place of business subject to this chapter.

1     ~~The appellant shall give security, approved by the Commissioner, conditioned~~  
2     ~~to pay the tax levied, if it remains unpaid, with interest and costs. Such~~  
3     ~~appeals shall be preferred cases for hearing on the docket of such Court. Such~~  
4     ~~Court~~ The court may grant such relief as may be equitable and may order the  
5     State Treasurer to pay to the aggrieved taxpayer the amount of such relief with  
6     interest at the rate established pursuant to 32 V.S.A. § section 3108 of this title.  
7     Upon all such appeals ~~which may be~~ that are denied, costs may be taxed  
8     against the appellant at the discretion of the ~~Court~~ court, but no costs shall be  
9     taxed against the State.

10    Sec. 29. 32 V.S.A. § 9817 is amended to read:

11    § 9817. REVIEW OF COMMISSIONER'S DECISION

12       (a) Any aggrieved taxpayer may, within 30 days after any decision, order,  
13     finding, assessment, or action of the Commissioner made under this chapter,  
14     appeal to the Washington Superior Court or the Superior Court of the county  
15     in which the taxpayer resides or has a place of business. ~~The appellant shall~~  
16     ~~give security, approved by the Commissioner, conditioned to pay the tax~~  
17     ~~levied, if it remains unpaid, with interest and costs, as set forth in subsection~~  
18     ~~(c) of this section.~~

19       (b) The appeal provided by this section shall be the exclusive remedy  
20     available to any taxpayer for review of a decision of the Commissioner  
21     determining the liability of the taxpayer for the taxes imposed.





1 center tax credit), 10–10a (tax on e-cigarettes), and 11 (taxable meal  
2 exclusions) shall take effect on July 1, 2018.

3 (4) Secs. 14–22 (property tax sections) and 30(1) (repeal of land use  
4 change tax lien subordination) shall take effect on July 1, 2018 and apply to  
5 grand lists lodged after that date.